2. The following subjects were discussed in these meetings :

   (i) Altermative Scheme of Devolution of Share in Central Taxes to States submitted by the Ministry of Finance.

   (ii) Amendments to article 356 of the Constitution.

   (iii) Contre- State Financial Relations (Chapter X) of the Sarkaria Commission's Report.

3. The Standing Committee reached a consensus on the question of Devolution of Share in Central Texes to States as follows :

   a. (i) 26% the gross proceeds of all Central Taxes (excluding Stamp Duty, Excise Duty on Medicinal and Toile preparations, Central Sales Tax, Consignment Tax and Surcharge) will be assigned to the States in lieu of the existing share in Income Tax and Basic/ Special Excise Duties and the grants in lieu of Tax on Railway passenger fares.

   (ii) In addition, 3% of gross proceeds of all Central Taxes (excluding Stamp Duty, Excise Duty on Medicinal and Toilet Preparations, Central Sales Tax, Consignment Tax and Surcharge) is to be assigned to the States in lieu of the existing share in additional Excise Duties in lieu of Sales Tax on Tobacco, Cotton and Sugar. These three items may continue to be exempted from Sales Tax and the additional Excise Duties in lieu of Sales Tax on these items may be merged with the Basic Excise Duties.

   (b) The Alternative scheme of Devolution share in Central Taxes to States would be implemented with effect from 1.4.1996.

   (c) The Scheme would be reviewed during the current Financial Year with a view to improving the share of States.

4. The above Scheme has also been approved by the Inter-State Council meeting held on 17.7.1997.

5. So far as the amendment of article 356 of the Constitution is concerned, no consensus could be reached either in the Standing Committee or in the Inter-State Council meeting held on 17.7.1997.

6. Instruction have been issued to the Administrative Ministries concerned to implement 54 recommendations as endorsed by the Inter-State Council. The Government is keen to complete action on the pending recommendations of the Sarkaria Commission at the earliest.

Study Tour of J & K State By Home Minister

2055. SHRI SATYAJITSINH DULIPSINH GAEKWAD:
SHRI MADHAVRAO SCINDIA :

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether he has recenty made a two week study tour of the State of Jammu and Kashmir to assess the activities of militants and the situation arising from continued infiltration by Pak-trained Militants and foreign mercenaries; and

(b) if so, the fresh initiatives taken by the Government on the observations made by him?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : (a) No, Sir,

(b) Does not arise.

[Translation]

Hired Storage Capacity

2056. PROF. PREM SINGH CHANDUMAJRA :
JUSTICE GUMAN MAL LODHA :
SHRI V.V. RAGHVAN:
SHRI MOHAN RAWLE :

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state :

(a) whether the Food Corporation of India hires storage capacity instead of using its own storage capacity as appeared in the *Hindustan Time* dated July 7, 1997;

(b) if so, the details thereof and the reasons therefor ;

(c) whether the Corporation has not fully utilised its own godowns/hired godowns during the last three years;

(d) if so, the reasons therefor ;

(e) the amount paid annually by the Food Corporation of India for hiring storage capacity during each of the last three years; and

(f) the steps taken by the Food Corporation of India to fully utilise its own storage capacity instead of hiring the storage capacity?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI RAGHUVANS PRASAD SINGH) : (a) and (b) The Food Corporation of India, in addition to utilising its own godowns, takes on hire godowns from other agencies like Central Warehousing Corporation, State Warehousing Corporation, State Governments and